

109TH CONGRESS  
2D SESSION

# S. 3764

To amend title XVIII of the Social Security Act to eliminate the coverage gap under the Medicare part D prescription drug program.

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IN THE SENATE OF THE UNITED STATES

JULY 31, 2006

Mr. LAUTENBERG introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to eliminate the coverage gap under the Medicare part D prescription drug program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Medicare Part D Cov-  
5       erage Gap Elimination Act of 2006”.

6       **SEC. 2. ELIMINATION OF MEDICARE PART D COVERAGE**

7                       **GAP.**

8               (a) **ELIMINATION OF COVERAGE GAP.**—

9                       (1) **IN GENERAL.**—

1 (A) IN GENERAL.—Paragraph (3) of sec-  
 2 tion 1860D–2(b) of the Social Security Act (42  
 3 U.S.C. 1395w–102(b)) is repealed.

4 (B) REVISION OF BENEFIT STRUCTURE.—  
 5 Section 1860D–2(b)(2)(A) of such Act (42  
 6 U.S.C. 1395w–102(b)(2)(A)) is amended by  
 7 striking “and up to the initial coverage limit  
 8 under paragraph (3)” and inserting “and up to  
 9 the point at which the annual out-of-pocket  
 10 threshold is reached under paragraph (4)” in  
 11 the matter preceding clause (i).

12 (2) CONFORMING AMENDMENTS.—

13 (A) SUPPLEMENTAL PRESCRIPTION DRUG  
 14 COVERAGE.—Section 1860D–2(a)(2)(A)(i)(I) of  
 15 such Act (42 U.S.C. 1395w–102(a)(2)(A)(i)(I))  
 16 is amended—

17 (i) by striking “deductible,” and in-  
 18 serting “deductible or”;

19 (ii) by striking “, or an increase in  
 20 the initial coverage limit”; and

21 (iii) by striking “or increase”.

22 (B) CATASTROPHIC.—Section 1860D–  
 23 2(b)(4)(C)(i) of such Act (42 U.S.C. 1395w–  
 24 102(b)(4)(C)(i)) is amended—

1 (i) by striking “paragraph (1),” and  
 2 inserting “paragraph (1) or”; and

3 (ii) by striking “and for amounts for  
 4 which benefits are not provided because of  
 5 the application of the initial coverage limit  
 6 described in paragraph (3),”.

7 (C) ALTERNATIVE PRESCRIPTION DRUG  
 8 COVERAGE.—Section 1860D–2(c)(1)(C) of such  
 9 Act (42 U.S.C. 1395w–102(c)(1)(C)) is amend-  
 10 ed—

11 (i) in the heading by striking “INITIAL  
 12 COVERAGE LIMIT” and inserting “OUT-OF-  
 13 POCKET THRESHOLD”; and

14 (ii) by striking “the initial coverage  
 15 limit under subsection (b)(3)” each place it  
 16 appears and inserting “the out-of-pocket  
 17 threshold under subsection (b)(4)”.

18 (D) ACCESS TO NEGOTIATED PRICES.—  
 19 Section 1860D–2(d)(1)(A) of such Act (42  
 20 U.S.C. 1395w–102(d)(1)(A)) is amended by  
 21 striking “or an initial coverage limit (described  
 22 in subsection (b)(3))”.

23 (E) CLAIMS INFORMATION.—Section  
 24 1860D–4(a)(4)(B)(i) of such Act (42 U.S.C.  
 25 1395w–104(a)(4)(B)(i)) is amended by striking

1 “relation to—” and all that follows through  
2 “the annual” and inserting “relation to the an-  
3 nual”.

4 (F) LOW-INCOME SUBSIDIES.—Section  
5 1860D–14(a) of such Act (42 U.S.C. 1395w–  
6 114(a)) is amended by striking subparagraph  
7 (C) of paragraphs (1) and (2).

8 (G) DEFINITION.—Section 1860D–  
9 41(a)(6) of such Act (42 U.S.C. 1395w–  
10 151(a)(6)) is repealed.

11 (b) EFFECTIVE DATE.—The amendments made by  
12 this section shall take effect on January 1, 2007.

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